

FILED
Date _____
Time _____
Clerk _____
Comm. Amdt. _____

AMENDMENT NO. _____

Signature of Sponsor

AMEND Senate Bill No. 2507*

House Bill No. 2597

by deleting Section 12 in its entirety and by substituting instead the following:

SECTION 12. Tennessee Code Annotated, Section 67-6-103, is amended by adding the following as a new subsection:

(e) Notwithstanding the provisions of subsections (a), (b) and (c), all revenues generated from the increase in the state sales and use tax rates levied under the Local Education Funding Equity Act of 1996 shall be deposited in the state general fund and earmarked for local education purposes in grades kindergarten (K) through twelve (12).

AND FURTHER AMEND by deleting Section 20 in its entirety and by substituting instead the following:

SECTION 20. Tennessee Code Annotated, Title 49, Chapter 2, Part 5, is amended by adding the following as a new section:

Notwithstanding any other law to the contrary, beginning July 1, 1996, no special school district shall expend any local revenues to fund local education operations, grades kindergarten (K) through twelve (12), except that special school districts may continue to expend local revenues as necessary to pay principal and interest and retire bonds and other debt obligations incurred before July 1, 1996 for educational purposes, and may also expend local funds for land and buildings, including fixtures, but not unattached equipment, to be used for local education purposes. Beginning July 1, 1996, the proceeds of any bonds, notes or other debt obligations incurred by a special school district shall be used

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only for land, buildings and fixtures, and not for unattached equipment or
operational expenses.

AND FURTHER AMEND by deleting in Section 30 the reference to "49-3-354(l)" and by
substituting instead the figures "49-3-354(i)".